

## **FISCAL NOTE**

### **SB 2591 - HB 2658**

February 6, 2002

**SUMMARY OF BILL:** Revises TCA 45-15-101; the *Tennessee Title Pledge Act*. as follows:

- Requires the county clerk of each county to forward to the Commissioner of Financial Institutions all applications for a license or license renewal for approval.
- Requires the Commissioner among other things to:
  1. Investigate applications to ensure all qualifications have been satisfied and if so, issue to the applicant a license or renew the license to engage in the title pledge business. A license may remain in force for one year from the date of approval.
  2. Examine any business and the books and records of any licensee and charge and collect an examination fee of \$200 per day not to exceed \$1,200 per year.
  3. Suspend or revoke a title pledge lender's license upon finding after a hearing, that a title pledge lender has violated any law in the course of business involving the license, failed to pay the annual license fee, or committed any fraud, engaged in dishonest activities, or made any misrepresentations or violated any other law.
  4. Order the person to pay a civil penalty of \$1,000 for each transaction in violation or each day that a violation has occurred and continues.
- Local governments will continue to collect and retain the \$50 license fee.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$645,710**  
**\$55,500 One-Time**

**Increase State Revenues - \$320,000**

Estimate assumes:

- An increase in expenditures in the Department of Financial Institutions for 12 positions and related expenses to enforce the requirements of the bill.
- A not significant increase in state revenues from money received for examination fees. The Department of Financial Institutions has estimated \$200 per examiner, per day, times eight examiners, times 200 examination days per year.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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